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February 5, 2013

**By ECFS**

Marlene H. Dortch  
Secretary  
Federal Communications Commission  
445 12th Street, SW  
Washington, DC 20554

Re: LTS of Rocky Mount, LLC Revised Compliance Plan;  
WC Docket Nos. 09-197, 11-42

Dear Secretary Dortch:

On October 31, 2012, LTS of Rocky Mount, LLC (“LTS” or the “Company”) submitted its Compliance Plan outlining the measures it will take to implement the conditions imposed by the Commission in its Lifeline Reform Order.<sup>1</sup>

After a meeting with Commission staff on December 6, 2012, LTS has further revised its Compliance Plan to: (1) provide information regarding LTS’ affiliates and corporate name (p. 1); (2) clarify the number of LTS wireline service subscribers (p. 3); (3) confirm that LTS will comply with the Cellular Telecommunications and Internet Association’s Consumer Code for Wireless Service (pp. 4-5); (4) provide additional detail regarding the Company’s intended consumer enrollment procedures and outreach activities (pp. 8-9); (5) confirm that an LTS employee will be responsible for overseeing and finalizing Lifeline enrollments by agents (pp. 9-10); (6) confirm that LTS will review applicants’ government-issued photo identification during the enrollment process (pp. 9, 13, 20); (7) clarify LTS’ process for de-enrollment of customers that fail to respond to the annual eligibility verification request (p. 17), (8) confirm that LTS will check its own and other external databases to prevent duplicate enrollments (pp. 20, 25); (9) explain the handset activation process (p. 21) and (10) provide more detail regarding

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<sup>1</sup> See *Lifeline and Link Up Reform and Modernization, Lifeline and Link Up, Federal-State Joint Board on Universal Service, Advancing Broadband Availability Through Digital Literacy Training*, 27 FCC Rcd 6656 (2012).

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the Company's outreach efforts to prevent subscriber de-enrollment for non-usage (pp. 21-22). In addition, the Company has revised its Lifeline application forms to clarify the required timeframe for an applicant's proof of income. Finally, LTS also takes this opportunity to notify the Commission that the Company's website is still under construction and is expected to be completed shortly. LTS will notify the Commission when the website is completed.

This letter and presentation are being filed electronically for inclusion in the public record of the above-referenced proceedings. Please feel free to contact the undersigned with any questions.

Respectfully submitted,



John J. Heitmann  
Denise N. Smith

*Counsel to LTS of Rocky Mount, LLC*

Enclosures

cc: Kimberly Scardino (via e-mail)  
Divya Shenoy (via e-mail)  
Michelle Schaefer (via e-mail)  
David Bradford (via e-mail)

**Before the  
Federal Communications Commission  
Washington, D.C. 20554**

In the Matter of

Lifeline and Link Up Reform and  
Modernization

Telecommunications Carriers Eligible to  
Receive Universal Service Support

LTS of Rocky Mount, LLC

WC Docket No. 11-42

WC Docket No. 09-197

**REVISED COMPLIANCE PLAN OF LTS OF ROCKY MOUNT, LLC**

LTS of Rocky Mount, LLC (“LTS” or the “Company”)<sup>1</sup> through its undersigned counsel, and by submission of this Compliance Plan, hereby seeks to avail itself of the Federal Communications Commission’s (“Commission”) grant of forbearance from the “own facilities” requirement set forth in 47 U.S.C. § 214(e)(1)(A).<sup>2</sup> LTS’ Compliance Plan is filed in accordance

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<sup>1</sup> The Company hereby also reports its corporate and trade names, identifiers, and its holding company, operating companies and affiliates as: Digital Express, Inc., Express Phone Service, Inc., Title Pawn Express, Inc., Monroe Trading, Inc., Delta Trading, Inc., More Ink for Less, LLC, Discount Cigarettes, Inc., Lantana One, Ltd., Gandalf Corp, TMA Properties and Simply Cupcakes of Pensacola (affiliates). LTS’ corporate name is LTS of Rocky Mount, LLC. The Company does not have any trade names or holding companies.

<sup>2</sup> Although the Company qualifies for and seeks to avail itself of the Commission’s grant of forbearance from the facilities requirements of section 214(e)(1)(A) for purposes of the federal Lifeline program, the Company reserves the right to demonstrate to a state public utilities commission that it provides service using its own facilities in a state for purposes of state universal service funding under state program rules and requirements. The Company will follow the requirements of the Commission’s Lifeline rules and the Compliance Plan in all states in which it provides Lifeline service and receives reimbursements from the federal Low-Income Fund, including any state where the public utilities commission determines that LTS provides service using its own facilities for purposes of a state universal service program.

with the procedures established in the *Lifeline Reform Order*<sup>3</sup> and clarified in the *Compliance Plan Public Notice* issued by the Wireline Competition Bureau on February 29, 2012.<sup>4</sup>

LTS respectfully requests expeditious approval of its Compliance Plan so that the Company may provide service to eligible wireline and wireless low income consumers in the various states for which it has pending eligible telecommunications carrier (“ETC”) petitions or in states for which it may file ETC petitions, including states for which the FCC issues ETC designations.

As set forth below, LTS will fully comply with all conditions set forth in the Commission’s recently amended Lifeline rules and with all pertinent conditions set forth in the *Lifeline Reform Order*. This Compliance Plan describes the measures LTS has already implemented or intends to implement to achieve full compliance with the Commission’s Lifeline rules and policies. For the convenience of the Commission, this Compliance Plan follows the format established by the Wireline Competition Bureau in the *Public Notice*.

## **I. INFORMATION ABOUT LTS AND THE LIFELINE PLANS IT OFFERS**

### **A. Company Information**

LTS is a North Carolina limited liability company, with headquarters in Pensacola, Florida. The Company is certificated by the North Carolina Utilities Commission to provide intrastate interexchange, local exchange and exchange access services and has been providing

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<sup>3</sup> *Lifeline and Link Up Reform and Modernization et al.*, WC Docket No. 11-42 *et al.*, Report and Order and Further Notice of Proposed Rulemaking, FCC 12-11 (FCC rel. Feb. 6, 2012) (“*Lifeline Reform Order*”).

<sup>4</sup> *Wireline Competition Bureau Provides Guidance for the Submission of Compliance Plans Pursuant to the Lifeline Reform Order*, Public Notice, DA 12-314 (WCB rel. Feb. 29, 2012) (“*Compliance Plan Public Notice*”).

telecommunications services to consumers since 2000.<sup>5</sup> The Company currently provides wireline telecommunications service to approximately 275 wireline customers through the resale of services obtained from AT&T and CenturyLink. These customers include subscribers provided with Lifeline service through the resale of CenturyLink-provided Lifeline services. LTS intends to also provide prepaid wireless services to consumers in North Carolina. LTS will obtain from major wireless carriers, on a wholesale basis, the network infrastructure, including the wireless transmission facilities, necessary to permit LTS to operate as a wireless telecommunications company.<sup>6</sup>

The Company is owned and managed by individuals with significant experience in the telecommunications industry.<sup>7</sup> In addition to successfully managing LTS, the current President of the Company, Thomas Armstrong, is the immediate past chairman of the National ALEC Association/Prepaid Communications Association (“NALA/PCA”) and still serves as a board member. The Association has represented the prepaid wireline and wireless communications industry for over 20 years and Mr. Armstrong’s experience and familiarity with the prepaid wireless industry will enable LTS to successfully provide wireless Lifeline services to subscribers in North Carolina and other states where the Company has or seeks ETC designation.

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<sup>5</sup> LTS was granted a certificate of public convenience and necessity to provide local exchange and exchange access telecommunications services in North Carolina effective May 31, 2000, Docket No. P-930. On October 7, 2004, in Docket No. P-930, Sub 2, the North Carolina Commission issued to LTS a Certificate of Public Convenience and Necessity authorizing the provision of intrastate interexchange telephone service in North Carolina.

<sup>6</sup> LTS purchases wireless services from Reunion Communications which in turn purchase services from Sprint and Verizon Wireless.

<sup>7</sup> Thomas Armstrong, along with William Kloss, also jointly own Express Phone Service, Inc., a CLEC certificated in Alabama, Florida and Mississippi, and Digital Express, a CLEC certificated in Florida.

## **B. LTS' Financial and Technical Capabilities to Provide Lifeline Service**

Revised Commission rule 54.202(a)(4), 47 C.F.R. 54.202(a)(4), requires carriers petitioning for ETC designation to demonstrate financial and technical capability to comply with the Commission's Lifeline service requirements.<sup>8</sup> The *Compliance Plan Public Notice* requires that a carrier's compliance plan include this demonstration. Among the factors the Commission will consider are: a carrier's prior offering of service to non-Lifeline subscribers, the length of time the carrier has been in business, whether the carrier relies exclusively on Lifeline reimbursement to operate, whether the carrier receives revenues from other sources and whether the carrier has been the subject of an enforcement action or ETC revocation proceeding in any state.

LTS is an experienced provider of telecommunications service and has the financial and technical capability to provide the services for which the Company requests ETC designation. As discussed above, LTS has been providing telecommunications service to non-Lifeline subscribers for over ten years. The Company also has been providing Lifeline services to North Carolina consumers through the resale of ILEC-provided Lifeline services. LTS has not yet been designated as an ETC in North Carolina – a petition for ETC designation is currently pending<sup>9</sup> – and thus does not receive support from any federal or state Lifeline funds. However, this experience provides the Company with unique familiarity with the provision of Lifeline service to low-income consumers. This experience will be invaluable in the Company's provision of wireline and wireless Lifeline service in accordance with the FCC's rules. LTS also commits to providing its Lifeline subscribers with quality customer service and complying with applicable

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<sup>8</sup> See *Lifeline Reform Order*, ¶¶ 387-388 (revising Commission rule 54.202(a)(4)).

<sup>9</sup> LTS filed an Application for Certification as an Eligible Telecommunications Carrier in North Carolina on December 2, 2011, which is pending approval. LTS also has a CLEC application pending in Florida. Upon approval of same, LTS expects to request ETC designation.

consumer protection and service quality standards in accordance with 47 C.F.R. § 54.202(a)(3). With respect to its wireless services, LTS agrees to comply with the Cellular Telecommunications and Internet Association's Consumer Code for Wireless Service ("CTIA Consumer Code") to ensure it offers its subscribers the highest level of protection and quality service.

LTS does not seek, and will not accept, High Cost support in any of the states for which it has or will have a pending ETC application.

LTS is financially stable and fully capable of honoring its service obligations to customers, as well as federal and state regulatory obligations. Although LTS expects to derive the majority of its revenue from the sale of prepaid wireless and wireline Lifeline services, the Company will not rely exclusively on USF disbursements to operate. For example, the Company will derive additional revenue from the sale of wireless and wireline services under plans that are not fully covered by the Lifeline subsidy, the sale of replenishment airtime minutes, and the sale of optional service packages (*e.g.*, Internet and SMS/text services).

LTS is not presently designated as an ETC in any jurisdiction and has never been denied ETC designation by any regulatory body. Finally, LTS has not been subject to any enforcement action or ETC revocation proceeding in any state.

### **C. LTS' Lifeline Service Plans**

LTS will offer its Lifeline services in the states where it is designated as an ETC and throughout the coverage areas of its underlying providers. The Company has a Lifeline-only ETC application pending in North Carolina. LTS also is seeking from the FCC designation as an ETC in the States of Alabama, Connecticut, Delaware, New Hampshire, North Carolina, New

York, Tennessee, the Commonwealth of Virginia, Florida, and the District of Columbia.<sup>10</sup> The Company is poised to rapidly expand its operations once its ETC applications are approved by the Commission and various state regulatory commissions.

The Company's prepaid wireless Lifeline offerings will include four packages of 150, 250, 360, and 660 minutes. The 360 and 660 minute plans each include at least 150 free anytime voice minutes. The 150 and 250 minute plans are offered to Lifeline subscribers at no monthly charge and the 360 and 660 minute plans are available at a prepaid charge of \$6.00 per month and \$15.00 per month, respectively. All of the plans include domestic long distance service at no additional per minute charge, and calls to 911 emergency services are always free regardless of service activation status or availability of minutes. Unused minutes for the 150 minute plan are rolled over each month and the rolled over minutes are available for 30 days. Unused minutes for the 360 and 660 minutes plans are rolled over each month and are available for 90 days. Rollover minutes are not available in the 250 minute plan.

Wireless Lifeline subscribers can purchase additional bundles of minutes in denominations of \$10.00, \$16.00, \$ 21.00 and \$27.00 with airtime prices ranging from \$0.10 to \$.042 per minute. These airtime "top up" minutes can be purchased at retail agent locations including Friendly Check locations in North Carolina, indirect agent locations in Florida, online and by telephone. Text messaging is available in the 150, 250 and 360 minute plans at a rate of one (1) text per one (1) voice minute and at a rate of two (2) texts per (1) voice minute in the 660

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<sup>10</sup> See *Petition of LTS of Rocky Mount, LLC for Limited Designation as An Eligible Telecommunications Carrier Pursuant to Section 214(e)(6) of the Communications Act in the States of Alabama, Connecticut, Delaware, Florida, New Hampshire, New York, North Carolina, Tennessee, the Commonwealth of Virginia, and the District of Columbia*, WC Docket Nos. 09-197, 11-42 (filed Oct. 31, 2012).



minute plan. In addition to the free voice services, LTS' wireless Lifeline offerings include a free handset as well as the value-added features of call waiting, voicemail and Caller ID.

LTS' wireline Lifeline service offering includes unlimited local and long distance services for a set monthly charge. The value-added features of call waiting and Caller ID are available plan options. Exhibit 1 to this Compliance Plan contains the company's Lifeline offerings.

**D. Other Certifications Required by 47 C.F.R. § 54.202**

The *Compliance Plan Public Notice* requires carriers to include certifications required under newly amended 47 C.F.R. § 54.202. LTS hereby certifies that it will comply with the service requirements applicable to the support it receives.<sup>11</sup> Specifically, LTS' Lifeline services: (i) include voice telephony services that provide voice grade access to the public switched network or its functional equivalent; (ii) provide subscribers with a defined number of minutes of usage for local service; (iii) provide subscribers with access to the emergency services provided by local government or other public safety organizations, such as 911/E911, to the extent the local government in LTS' service area has implemented 911/E911 systems (as described below in Section III) and will comply with any Commission requirements regarding E911-compatible handsets; and (iv) toll limitation for qualifying low-income consumers.<sup>12</sup> As discussed above,

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<sup>11</sup> 47 C.F.R. § 54.202(a)(1)(i).

<sup>12</sup> 47 C.F.R. § 54.101(a); Toll limitation means both toll blocking and toll control, or, if a carrier is not capable of providing both toll blocking and toll control, then toll limitation is defined as either toll blocking or toll control. LTS commits to meeting this requirement by offering service on a prepaid, or pay-as-you-go, basis. As the Commission found in its grant of ETC designation to Virgin Mobile, "the prepaid nature of [a prepaid wireless carrier's] service offering works as an effective toll control." *Virgin Mobile USA, L.P. Petition for Forbearance from 47 U.S.C. § 214(e)(1)(A)*, Order, 24 FCC Rcd 3381, 3394 at ¶ 34 (2009). Moreover, LTS' wireless calling plans do not distinguish between local or toll services, and offer nationwide calling. LTS will provide this toll control to qualifying low income consumers at no additional charge. The Company will provide toll limitation service to its wireline customers by including in its service offering a pre-set domestic long distance limit at no additional

the Company will comply with the Commission's forbearance grant conditions regarding 911/E911 service and handsets.

## **II. LTS' PLANS FOR COMPLIANCE WITH NEW COMMISSION RULES RELATING TO DETERMINATIONS OF SUBSCRIBER ELIGIBILITY FOR LIFELINE SERVICES**

LTS will comply with the requirements pertaining to consumer qualifications for Lifeline set forth in new section 54.409 of the Commission's rules<sup>13</sup> and any state-specific requirements in the various states in which LTS will be designated an ETC. More specifically, LTS will require all subscribers to demonstrate eligibility based at least on: (1) household income at or below 135% of the Federal Poverty Guidelines for a household of that size; or (2) the household's participation in one of the federal assistance programs listed in new Commission rule 54.409(a)(2) or 54.409(a)(3). LTS also will confirm that the subscriber is not already receiving a Lifeline service and that no one else in the subscriber's household is subscribed to a Lifeline service.<sup>14</sup>

### **A. LTS' Procedures to Determine Consumer Eligibility for the Lifeline Program**

LTS enrolls subscribers at in-person events as well as by telephone, internet and facsimile. In-person enrollment is conducted at community events in locations where low income consumers may be found such as public housing facilities and localized festivals and fairs within the low income consumer geographical areas. LTS also enrolls subscribers during awareness events held in conjunction with dealer agents in retail stores in communities frequented by low income consumers. Consumers also have the option of enrolling in LTS'

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charge to the subscribers. Restrictive blocks are provided at no charge to customers for toll control/blocking of usage-based calling features such as 3-way calling, call return, 900 calls, etc.

<sup>13</sup> 47 C.F.R. § 54.409.

<sup>14</sup> 47 C.F.R. § 54.409(c).

Lifeline services via the Internet or by calling and speaking with an LTS employee who will enroll the subscriber in Lifeline service.

All LTS personnel who interact with existing Lifeline customers or Lifeline applicants will be fully trained on the Commission's revised Lifeline eligibility rules and LTS' practices and policies designed to implement these new rules. LTS personnel check applicants against income and/or program eligibility databases including CGM's enrollment database prior to activation. As described in section V below, LTS personnel also will review the applicant's government-issued photo identification and conduct a check of the applicant's service address to prevent duplication of service. If LTS cannot determine an applicant's eligibility for Lifeline by accessing income or program eligibility databases, LTS personnel (either employees or third party customer service representatives) will review documents to establish eligibility in accordance with the criteria set forth in Commission rule 54.409. Subscribers that enroll by telephone or Internet are required to mail or fax copies of government-issued photo identification, proof of identity, program eligibility and a self-certification form to be reviewed and verified before a handset is sent to the subscriber. Subscribers enrolling by Internet can submit the self-certification online or by fax or mail. LTS employees are responsible for overseeing and finalizing every Lifeline enrollment prior to including that customer on an FCC Form 497 for reimbursement.

Subscribers approved during in-person enrollment events are provided with a handset which must be activated in accordance with the procedures described in Section V. In-person enrollments conducted by agents are held in a pending status until the order can be reviewed by an LTS employee. The subscriber may be provided with a handset but the handset will not be activated unless the LTS employee is able to verify the consumer's eligibility. Agents whose

orders do not pass the verification process are provided with additional training in Lifeline eligibility requirements.

In addition, LTS will not enroll customers at retail locations where LTS does not have an agency agreement with the retailer. Further, LTS will require an agent retailer to have any employees involved in the enrollment process go through the standard LTS field representative training, same as it would for any other agent. By establishing agency relationships with all of its field representatives, including future retail outlets, LTS meets the “deal directly” requirement adopted in the TracFone Forbearance Order.<sup>15</sup>

The Commission determined in the *Lifeline Reform Order* that ETCs may permit agents or representatives to review documentation of consumer program eligibility for Lifeline because “the Commission has consistently found that ‘[l]icensees and other Commission regulatees are responsible for the acts and omissions of their employees and independent contractors.’”<sup>16</sup> Because LTS is responsible for the actions of all of its employees and agents, including those enrolling customers in any LTS owned or affiliated retail locations, and a LTS employee will be responsible for overseeing and finalizing every Lifeline enrollment prior to including that customer on an FCC Form 497 for reimbursement, the Company always “deals directly” with its customers to certify and verify the customer’s Lifeline eligibility.

Proof of Eligibility. LTS will follow the Commission’s requirements pertaining to acceptable documentation to establish eligibility based either on income level or participation in a qualified government assistance program, unless otherwise established by a state Lifeline

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<sup>15</sup> See Petition of TracFone Wireless, Inc. for Forbearance from 47 U.S.C. § 214(e)(1)(A) and 47 C.F.R. § 54.201(i), 20 FCC Rcd 15095, ¶19 (2005).

<sup>16</sup> *Lifeline Reform Order*, ¶ 110.

administrator or other state agency.<sup>17</sup> Specifically, acceptable documentation of program eligibility will include: (1) the current or prior year's statement of benefits from a qualifying state, federal or Tribal program; (2) a notice or letter of participation in a qualifying state, federal or Tribal program; (3) program participation documents (*e.g.*, the consumer's Supplemental Nutrition Assistance Program ("SNAP") electronic benefit transfer card or Medicaid participation card (or copy thereof); or (4) another official document evidencing the consumer's participation in a qualifying state, federal or Tribal program.<sup>18</sup> Acceptable documentation of income eligibility will include: (1) the prior year's state, federal, or Tribal tax return; (2) current income statement from an employer or paycheck stub; (3) a Social Security statement of benefits; (4) a Veterans Administration statement of benefits; (5) a retirement/pension statement of benefits; (6) an Unemployment/Workers' Compensation statement of benefit; (7) federal or Tribal notice letter of participation in General Assistance; or (8) a divorce decree, child support award, or other official document containing income information.<sup>19</sup> If the prospective subscriber presents LTS with documentation of income that does not cover a full year, the prospective subscriber must present the same type of documentation covering three consecutive months within the previous twelve months.<sup>20</sup> LTS personnel will examine and record the type of documentation presented by each prospective Lifeline subscriber. In addition, Company personnel will note, where available, the last four digits of an account or other identifying number on the proof document, the date of the proof document and the expiration of the proof

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<sup>17</sup> See USAC Guidance available at <http://www.usac.org/li/telecom-carriers/step06/default.aspx>.

<sup>18</sup> 47 C.F.R. § 54.410(c)(1)(i)(B).

<sup>19</sup> 47 C.F.R. § 54.410(b)(1)(i)(B).

<sup>20</sup> *Id.*

document. LTS personnel will not retain copies of these documents unless required by a state.<sup>21</sup> If an applicant is unable to provide documentary proof of eligibility based on either household income level or current participation in a qualified program, LTS will deny that application. The Company will comply with all applicable state and federal regulations concerning the protection of subscriber CPNI.

De-Enrollment for Ineligibility. If LTS has a reasonable basis to believe that one of its Lifeline subscribers no longer meets the eligibility criteria, the Company will notify the subscriber of impending termination in writing and in compliance with any state dispute resolution procedures applicable to Lifeline termination, and give the subscriber 30 days to demonstrate continued eligibility.<sup>22</sup> A demonstration of eligibility must comply with the annual verification procedures below and found in new rule section 54.410(f), including the submission of a certification form. If a customer contacts the Company and states that he or she is not eligible for Lifeline or wishes to de-enroll for any reason, the Company will de-enroll the customer within five business days. Customers can make this request by calling the Company's customer service number and will not be required to submit any documents.

## **B. LTS' Procedures for Subscriber Certifications**

In the *Lifeline Reform Order*, the Commission established a path for a transition to a national database that will be used to confirm the initial and continued eligibility of a Lifeline customer.<sup>23</sup> LTS will utilize that database when it becomes operational. Until that time, however, LTS will continue to use any relevant state databases where available, and will

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<sup>21</sup> 47 C.F.R. § 54.410(b)(1)(ii) - (iii); 47 C.F.R. § 54.410(c)(1)(ii)-(iii).

<sup>22</sup> See *Lifeline Reform Order*, ¶ 143; 47 C.F.R. § 54.405(e)(1).

<sup>23</sup> See *Lifeline Reform Order*, ¶ 403.

otherwise adhere to the following procedures for enrolling prospective customers into the Lifeline program.

LTS will implement certification procedures that will enable prospective customers to demonstrate their eligibility by contacting LTS either in person or by telephone, facsimile or over the Internet. Except in states in which applicants are enrolled through a designated state agency, LTS will have contact with all prospective customers applying for Lifeline service, either in person through its employees or third party representatives, or by telephone, facsimile or over the Internet. Prospective customers who do not complete LTS' Lifeline Application in person must return the signed document and copies of government-issued photo identification and eligibility documentation to LTS by mail, facsimile, electronic mail or other electronic transmission. LTS will accept electronic signatures that meet the requirements of the Electronic Signatures in Global and National Commerce Act, 15 U.S.C. §§ 7001-7006 and any applicable state laws.<sup>24</sup>

Every prospective subscriber will be required to complete LTS' revised "Lifeline Application." Exhibit 2 contains a sample Lifeline Application. The Company's revised Lifeline Application conforms to the subscriber certification requirements of the *Lifeline Reform Order* and 47 C.F.R. § 54.410.

Information Collection. LTS will collect the following information from prospective subscribers in its Lifeline Application forms: (1) the subscriber's full name; (2) the subscriber's full residential address (P.O. Boxes are not permitted); (3) whether the residential address is permanent or temporary; (4) the subscriber's billing address, if different; (5) the subscriber's date of birth; (6) the last four digits of the subscriber's Social Security number (or Tribal

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<sup>24</sup> 47 C.F.R. § 54.419.

identification number if the subscriber is a member of a Tribal nation and does not have a Social Security number); (7) if the subscriber is seeking to qualify for Lifeline under the program-based criteria, the name of the qualifying assistance program from which the subscriber, or his or her dependents, or his or her household receives benefits; and (8) if the subscriber is seeking to qualify for Lifeline under the income-based criterion, the number of individuals in his or her household.<sup>25</sup> The applicant must authorize the Company to release any records required for the administration of the Company Lifeline credit program, including to USAC to be used in a Lifeline program database.<sup>26</sup> The applicant also must authorize LTS to access any records required to verify the applicant's statements on the application form and to confirm the applicant's eligibility for the Company's Lifeline credit.

Applicant Certification. In accordance with 47 C.F.R. § 54.410(d), in its Lifeline Applications, LTS will require all Lifeline applicants to certify, under penalty of perjury, in writing or by electronic signature or interactive voice response recording,<sup>27</sup> that: (1) the subscriber meets the income-based or program-based eligibility criteria for receiving Lifeline; (2) the subscriber will notify LTS within 30 days if, for any reason, he or she no longer satisfies the criteria for receiving Lifeline including, as relevant, if the applicant no longer meets the income-based or program-based criteria for receiving Lifeline support, the subscriber is receiving more than one Lifeline benefit, or another member of the subscriber's household is receiving a Lifeline benefit; (3) if the subscriber is seeking to qualify for Lifeline as an eligible resident of

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<sup>25</sup> 47 C.F.R. § 54.410(d)(2).

<sup>26</sup> See 47 C.F.R. § 54.404(b)(9). The application/certification form will also describe the information that will be transmitted, that the information is being transmitted to USAC to ensure the proper administration of the Lifeline program and that failure to provide consent will result in the applicant being denied the Lifeline service. See *id.* See also Cricket Compliance Plan at 5.

<sup>27</sup> See *Lifeline Reform Order*, ¶¶ 168-69; 47 C.F.R. § 54.419.



Tribal lands, that he or she lives on Tribal lands; (4) if the subscriber moves to a new address, that he or she will provide that new address to LTS within 30 days; (5) if the subscriber provided a temporary residential address to LTS, the subscriber will verify his or her temporary residential address every 90 days; (6) the subscriber's household will receive only one Lifeline service and, to the best of the applicant's knowledge, the subscriber's household is not already receiving a Lifeline service; (7) the information contained in the subscriber's application/certification form is true and correct to the best of the subscriber's knowledge; (8) the subscriber acknowledges that providing false or fraudulent information to receive Lifeline benefits is punishable by law; and (9) the subscriber acknowledges that he or she may be required to re-certify his or her continued eligibility for Lifeline at any time, and that his or her failure to re-certify as to continued eligibility will result in de-enrollment and the termination of the subscriber's Lifeline benefits pursuant to the Commission's rules.<sup>28</sup>

Company Disclosures. In accordance with 47 C.F.R. § 54.410(d)(1), LTS' Lifeline Application will disclose the following information: (1) Lifeline is a federal benefit and willfully making false statements to obtain the benefit can result in fines, imprisonment, de-enrollment or being barred from the program; (2) only one Lifeline service is available per household; (3) a household is defined, for purposes of the Lifeline program, as any individual or group of individuals who live together at the same address and share income and expenses; (4) a household is not permitted to receive Lifeline benefits from multiple providers; (5) violation of the one-per-household limitation constitutes a violation of the Commission's rules and will result

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<sup>28</sup> 47 C.F.R. § 54.410; *See also* Exhibit 2.

in the subscriber's de-enrollment from the program; and (6) Lifeline is a non-transferable benefit and the subscriber may not transfer his or her benefit to any other person.<sup>29</sup>

In accordance with 47 C.F.R. § 54.405(c), LTS' Lifeline Application will indicate, using easily understood language, that (1) LTS' low income targeted service is a Lifeline service; (2) Lifeline is a government assistance program; (3) the service is non-transferable; (4) only eligible consumers may enroll in the program; and (5) the program is limited to one discount per household.<sup>30</sup> In addition, LTS will notify applicants for its prepaid services that the prepaid service must be personally activated by the subscriber and the service will be deactivated and the subscriber de-enrolled if the subscriber does not use the service for 60 days.<sup>31</sup>

### **C. LTS' Procedures for Annual Verification of Lifeline Customers**

In accordance with the requirements of the *Lifeline Reform Order* and 47 C.F.R. § 54.410(f), LTS will annually re-certify all of its Lifeline subscribers by either (1) querying the appropriate eligibility or income databases, confirming that the subscriber continues to meet the program- or income-based eligibility requirements for Lifeline and documenting the results of that review, or (2) obtaining a signed certification from the subscriber that meets the certification requirements set forth in 47 C.F.R. § 54.410(d). The verification materials will inform the subscriber that he or she is being contacted to re-certify his or her continuing eligibility for Lifeline and if the subscriber fails to respond, he or she will be de-enrolled in the program.<sup>32</sup> The verification materials also will include a confirmation that the applicant's household will receive

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<sup>29</sup> *Id.*

<sup>30</sup> *See Lifeline Reform Order*, ¶ 275; 47 C.F.R. § 54.405(c).

<sup>31</sup> *See Lifeline Reform Order*, ¶ 257. As noted in Section V below, LTS maintains a billing relationship with its wireline subscribers. Consequently, the service activation and non-usage requirements will not apply to those services.

<sup>32</sup> *See Lifeline Reform Order*, ¶ 145.

only one Lifeline service and, to the best of the applicant's knowledge, the subscriber's household is receiving no more than one Lifeline service.<sup>33</sup>

Annual Verification. LTS will comply with the Commission's annual recertification and reporting requirements.<sup>34</sup> The Company will contact its subscribers via text message to their Lifeline supported telephone, or by mail, phone, email or other Internet communication. The notice will explain the actions the customer must take to retain Lifeline benefits, when Lifeline benefits may be terminated, and how to contact the Company.

Verification De-Enrollment. LTS will de-enroll subscribers who do not respond to the annual verification or fail to provide proof of continued eligibility in accordance with the procedures set forth in 47 C.F.R. § 54.405(e)(4). The Company will send a single written notice explaining that failure to respond to the re-certification request within 30 days will result in the subscriber's de-enrollment from the Lifeline program. If the subscriber does not respond within the 30 days, the Company will de-enroll the subscriber within five business days.

### **III. LTS' PLANS FOR COMPLIANCE WITH THE FORBEARANCE CONDITIONS RELATING TO PUBLIC SAFETY AND 911/E911 ACCESS**

LTS will comply with the 911/E911 access conditions set forth in paragraph 373 of the *Lifeline Reform Order*. Specifically, LTS will: (1) provide its Lifeline subscribers with 911/E911 access at the time Lifeline service is initiated, regardless of activation status and availability of minutes, and (2) provide its Lifeline subscribers with E911-compliant handsets and replace, at no additional charge to the subscriber, noncompliant handsets of Lifeline-eligible subscribers who obtain Lifeline-supported services. This handset requirement is not applicable to LTS' wireline services. LTS will provide access to 911 and E911 services to the extent that

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<sup>33</sup> See *Lifeline Reform Order*, ¶ 120.

<sup>34</sup> See *Lifeline Reform Order*, ¶ 130.

these services have been deployed by its underlying wireless carrier. LTS commits to these practices going forward.

The Company's existing practices currently provide access to 911 and E911 services for all customers. With respect to its wireline services, the Company uses AT&T and CenturyLink as its underlying network providers/carriers pursuant to its interconnection agreements with the ILECs. The ILECs route 911 calls from LTS' customers in the same manner as 911 calls from their own retail customers. Consequently, LTS' wireline subscribers have access to 911/E911 services. The Company will use Sprint and Verizon Wireless as the underlying network providers/carriers for LTS' provision of wireless services. The underlying carriers will route 911 calls from LTS' customers in the same manner as 911 calls from the carriers' own retail customers. To the extent that the carriers are certified in a given PSAP territory, this 911 capability will function the same for LTS. LTS also will enable 911 emergency calling services for all properly activated handsets regardless of whether the account associated with the handset is active or suspended. Finally, LTS will transmit all 911 calls initiated from any of its handsets even if the account associated with the handset has no remaining minutes.

#### **IV. LTS' PLANS FOR COMPLIANCE WITH THE COMMISSION'S MARKETING AND DISCLOSURE REQUIREMENTS FOR PARTICIPATION IN THE LIFELINE PROGRAM**

LTS will incorporate into its marketing materials<sup>35</sup> for its Lifeline services, in clear, easily understood language: (1) that the service is supported by Lifeline; (2) that Lifeline is a government assistance program; (3) that the service is non-transferable; (4) that only eligible consumers may enroll in the program; (5) that the program is limited to one discount per

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<sup>35</sup> "Marketing materials" includes, but is not limited to print, audio, video, Internet (including email, web, and social networking media), and outdoor signage, that describe the Lifeline-supported service offering, including application and certification forms. See *Lifeline Reform Order*, ¶276; 47 C.F.R. § 54.405(c).

household; (6) that documentation is necessary for enrollment; and (7) the Company's Lifeline Application will state that consumers who willfully make a false statement in order to obtain the Lifeline benefit can be punished by fine or imprisonment or can be barred from the program.<sup>36</sup> LTS also will disclose its name on all marketing materials.<sup>37</sup> These statements will be included in all print, audio video and web materials (including social networking media) used to describe or enroll customers in the Company's Lifeline service offering, as well as the Company's application forms and certification forms.<sup>38</sup> A sample of the Company's marketing materials is included as Exhibit 3.

## **V. LTS' PROCEDURES AND EFFORTS TO PREVENT WASTE, FRAUD AND ABUSE IN CONNECTION WITH LIFELINE FUNDS**

LTS shares the Commission's commitment to minimize waste, fraud and abuse of Lifeline benefits. Accordingly, LTS commits to implement a variety of measures and procedures intended to prevent duplicate Lifeline benefits from being awarded to the same household or individual.

**Prevention of Duplicates within LTS' Subscriber Base.** At the time of initial sign up of a new subscriber, the subscriber's service address is validated for accuracy against the United States Postal Service ("USPS") database and saved in the USPS-approved format, which permits LTS' subscriber database to more accurately prevent duplicates by preventing variations of the same address from appearing multiple times in the database. Once the address is validated for accuracy and format, it is checked against addresses for all LTS subscriber addresses. If an existing LTS subscriber is receiving service at the same address, LTS' system will not permit

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<sup>36</sup> *Lifeline Reform Order*, ¶ 275; 47 C.F.R. § 54.405(c).

<sup>37</sup> 47 C.F.R. § 54.405(d).

<sup>38</sup> *Id.*

any order for Lifeline service to proceed. LTS also conducts additional checks to ensure that the same subscriber is not receiving more than one service by reviewing the customer's government-issued photo identification and checking its database for the same subscriber name, date of birth and the last four digits of the person's social security number. LTS will conduct a check of its database and that of CGM to ensure LTS' subscribers are not also receiving Lifeline service from any LTS affiliate or other provider. Moreover, all orders for Lifeline service are subjected to a secondary USPS accuracy and format check the following day. Any corrections needed as a result of the secondary check, such as correcting address format, are promptly entered into LTS' system. LTS also conducts real-time scans of its database and CGM's Intercompany Duplicate Database to flag any duplicate addresses, dates of birth, etc. in addition to conducting manual reviews of its subscriber lists prior to filing its FCC Form 497s in order to ensure that it does not claim subsidies for any duplicate addresses or de-enrolled customers.

As LTS discussed in Section II. B., once the National Database becomes available, the Company will query it to confirm whether a prospective subscriber is currently receiving a Lifeline service from another ETC and whether anyone else living at the prospective subscriber's residential address is currently receiving Lifeline service.<sup>39</sup>

**Service Activation and Non-Usage.** LTS will not seek reimbursement for Lifeline service for any subscriber until the subscriber activates the service by whatever means specified by LTS, such as completing an outbound call.<sup>40</sup> When activating a phone at an in-person event,

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<sup>39</sup> See *Lifeline Reform Order*, ¶ 203. The Company will also transmit to the National Database the information required for each new and existing Lifeline subscriber. See *Lifeline Reform Order*, ¶¶ 189-195; section 54.404(b)(6). Further, LTS will update each subscriber's information in the National Database within ten business days of any change, except for de-enrollment, which will be transmitted within one business day. See 47 C.F.R. § 54.404(b)(8),(10).

<sup>40</sup> 47 C.F.R. § 54.407(c).

subscribers are directed to make a call in the presence of the LTS representative. Subscribers that receive handsets through the mail are provided with handsets and directions for completing the activation process. Those subscribers are directed to use the handset to call an LTS representative and that representative will verify the subscriber's identity before activating the telephone. All handsets come affixed with stickers identifying LTS as the provider of the Lifeline service and providing LTS' contact information for customer inquiries. It is LTS' policy that a prepaid subscriber who has not used his or her handset within 60 days is de-enrolled from the Lifeline program (after a 30-day notice period). LTS' non-usage policy ensures that only subscribers who actually utilize their wireless service continue to receive Lifeline-subsidized service, and that LTS only receives Lifeline support for those subscribers who remain enrolled in the program. LTS commits to continuing this practice in strict conformance with the requirements of 47 C.F.R. § 54.405(e)(3).

Specifically, after 60 days of non-use,<sup>41</sup> LTS will provide notice to the prepaid subscriber that failure to use the Lifeline service or provide other confirmation to LTS that the prepaid subscriber wishes to retain their Lifeline service within 30 days from the date of the de-enrollment notice will result in de-enrollment from the Lifeline program.<sup>42</sup> LTS is diligent in its outreach efforts to prevent subscribers from being de-enrolled due to inadvertent non-usage. After approximately 2-3 weeks of non-usage, the Company contacts subscribers and inquires about the subscriber's service. Specifically, LTS asks if the subscriber is experiencing any problems with the handset or service and explains how to add additional minutes to the

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<sup>41</sup> Subscribers can "use" the service by: (1) completing an outbound call; (2) purchasing minutes from LTS to add to the subscriber's plan; (3) answering an incoming call from a party other than LTS; or (4) responding to a direct contact from LTS confirming that the subscriber wants to continue receiving the service. 47 C.F.R. § 54.407(c)(2).

<sup>42</sup> 47 C.F.R. § 54.405(e)(3).

customer's service. This contact, referred to as "Contact Process 1" is conducted by voice message and/or text message. After 30 days of non-usage, LTS implements its "Contact Process 2". This entails contacting the subscriber again to ensure proper handset and service operation, describing the process for adding minutes of service and mentioning the potential for de-enrollment from the Lifeline service. Finally, "Contact Process 2W", which replicates Contact Process 2 and includes the sending of a written notice to the customer's address of record, is conducted after 45, 60 and 75 days of non-usage. If the subscriber does not respond to the Company's notices, the customer will be de-enrolled and LTS will not request further Lifeline reimbursement for the customer. LTS will report annually to the Commission the number of subscribers de-enrolled for non-usage by month.<sup>43</sup>

LTS assesses and collects a monthly fee from each wireline subscriber. Customers must pay the fee each month for the services they select and service will be disconnected if the fee is not paid. Customers typically make payments at retail store locations but can also make payments online, by mail or by telephone. Consequently, LTS has a regular billing relationship with its wireline Lifeline subscribers and the service activation and non-usage requirements will not apply.<sup>44</sup> Wireless subscribers choosing the 360 or 660 minute service offerings on the prepaid debit plans will have a system invoice generated and marked paid at the time of the debit transaction. Wireless subscribers that buy top up minutes are not billed.

#### **One Per Household Rule.**

LTS will implement policies and practices in accordance with the Commission's rules and the *Lifeline Reform Order* to ensure that it provides only one Lifeline service per

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<sup>43</sup> *Id.*

<sup>44</sup> See *Lifeline Reform Order*, ¶¶ 257, 263. See also, 47 C.F.R. 54.407(c).



household.<sup>45</sup> As described above, LTS will implement procedures to ensure that LTS itself only provides one Lifeline service per household. LTS personnel are trained regarding subscriber eligibility and are instructed to emphasize the “one Lifeline per household” restriction in their communications with potential subscribers. When the National Lifeline Accountability Database becomes available, LTS will fully comply with the requirements of 47 C.F.R. § 54.404 and will utilize the database to determine if an applicant is currently receiving Lifeline service from another carrier or if another person residing at the applicant’s residential address is receiving Lifeline service. In addition, if LTS has a reasonable basis to believe that one of its Lifeline subscribers no longer meets the eligibility criteria, for example, due to a violation of the one-per-household rule, LTS will initiate its termination process in accordance with the procedures set forth in 47 C.F.R. § 54.405(e)(1).

Upon receiving an application for LTS’ Lifeline service, the Company will search its own internal records to ensure that it does not already provide Lifeline-supported service to someone at the same residential address.<sup>46</sup> If so, and the applicant lives at an address with multiple households, the Company will require the applicant to complete and submit a written USAC document containing the following: (1) an explanation of the Commission’s one-per-household rule; (2) a check box that an applicant can mark to indicate that he or she lives at an address occupied by multiple households; (3) a space for the applicant to certify that he or she shares an

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<sup>45</sup> A “household” is any individual or group of individuals who are living together at the same address as one economic unit. A household may include related and unrelated persons. An “economic unit” consists of all adult individuals contributing to and sharing in the income and expenses of a household. An adult is any person eighteen years or older. If an adult has no or minimal income, and lives with someone who provides financial support to him/her, both people shall be considered part of the same household. Children under the age of eighteen living with their parents or guardians are considered to be part of the same household as their parents or guardians. *See Lifeline Reform Order*, ¶ 74; §54.400(h).

<sup>46</sup> *See Lifeline Reform Order*, ¶ 78.

address with other adults who do not contribute income to the applicant's household and share in the household's expenses or benefit from the applicant's income, pursuant to the Commission's definition; and (4) the penalty for a consumer's failure to make the required one-per-household certification (*i.e.*, de-enrollment).<sup>47</sup> Further, if a subscriber provides a temporary address on his or her application/certification form collected as described above, the Company will verify with the subscriber every 90 days that the subscriber continues to rely on that address.<sup>48</sup>

In addition, Company personnel will inform each Lifeline applicant that he or she may be receiving Lifeline support under another name, and facilitate the applicant's understanding of what constitutes "Lifeline-supported services," and ability to determine whether he or she is already benefiting from Lifeline support, by informing the consumer that all Lifeline services may not be currently marketed under the name Lifeline. LTS will also ask each customer whether they are receiving Lifeline service from one of the other major Lifeline providers in the state (*e.g.*, SafeLink, Assurance). Employees and agents will emphasize that Lifeline is a government assistance program and willfully making false statements to obtain a Lifeline benefit can result in fines, imprisonment, de-enrollment or being barred from the program. Finally, at the time of enrollment, LTS will check each applicant against a pooled duplicates database and will also conduct a check of its own databases to ensure LTS' subscribers are not also receiving Lifeline service from any LTS affiliate.

### **Company Reimbursements from the Fund**

To ensure that LTS does not seek reimbursement from the Fund without a subscriber's consent, LTS will certify, as part of each reimbursement request, that it is in compliance with all

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<sup>47</sup> *Id.* The USAC worksheet is available at <http://www.usac.org.li/tolls/news/default.aspx>.

<sup>48</sup> See *Lifeline Reform Order*, ¶ 89.

of the Commission's Lifeline rules and, to the extent required, has obtained valid certification and verification forms from each of the subscribers for whom it is seeking reimbursement.<sup>49</sup> Further, the Company will transition the submission of its FCC Forms 497 to the eighth day of each month in order to be reimbursed the same month.<sup>50</sup> In addition, LTS will keep accurate records as directed by USAC<sup>51</sup> and as required by new section 54.417 of the Commission's rules.

### **Annual Company Certifications**

LTS will submit an annual certification to USAC, signed by a Company officer under penalty of perjury, that LTS: (1) has policies and procedures in place to review consumers' documentation of income- and program-based eligibility and ensure that its Lifeline subscribers are eligible to receive Lifeline services;<sup>52</sup> (2) is in compliance with all federal Lifeline certification procedures;<sup>53</sup> and (3) has obtained a valid certification form for each subscriber for whom the carrier seeks Lifeline reimbursement.<sup>54</sup>

In addition, the Company will provide the results of its annual re-certifications/verifications on an annual basis to the Commission, USAC, the applicable state commission and the relevant Tribal governments (for subscribers residing on Tribal lands).<sup>55</sup>

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<sup>49</sup> See *Lifeline Reform Order*, ¶ 128; § 54.407(d).

<sup>50</sup> See *Lifeline Reform Order*, ¶¶ 302-306.

<sup>51</sup> See § 54.407(e).

<sup>52</sup> See *Lifeline Reform Order*, ¶ 126; § 54.416(a)(1).

<sup>53</sup> See *Lifeline Reform Order*, ¶ 127; § 54.416(a)(2).

<sup>54</sup> See § 54.416(a)(3).

<sup>55</sup> See *Lifeline Reform Order*, ¶¶ 132,148; § 54.416(b).

Further, as discussed above, Company will report annually to the Commission the number of subscribers de-enrolled for non-usage by month.<sup>56</sup>

The Company will also annually report to the Commission, USAC, and relevant state commissions and the relevant authority in a U.S. territory or Tribal government as appropriate,<sup>57</sup> the company name, names of the company's holding company, operating companies and affiliates, and any branding (such as a "dba" or brand designation) as well as relevant universal service identifiers for each entity by Study Area Code.<sup>58</sup> LTS will report annually information regarding the terms and conditions of its Lifeline plans for voice telephony service offered specifically for low-income consumers during the previous year, including the number of minutes provided and whether there are additional charges to the consumer for service, including minutes of use and/or toll calls.<sup>59</sup> Finally, the Company will annually provide detailed information regarding service outages in the previous year, the number of complaints received and certification of compliance with applicable service quality standards and consumer protection rules, as well as a certification that the Company is able to function in emergency situations.<sup>60</sup>

## **VI. COOPERATION WITH STATE AND FEDERAL REGULATORS**

LTS has cooperated and will continue to cooperate with federal and state regulators to prevent waste, fraud and abuse. More specifically, the Company will:

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<sup>56</sup> See *Lifeline Reform Order*, ¶ 257; § 54.405(e)(3).

<sup>57</sup> See § 54.422(c).

<sup>58</sup> See *Lifeline Reform Order*, ¶¶ 296, 390; § 54.422(a).

<sup>59</sup> See *Lifeline Reform Order*, ¶ 390; § 54.422(b)(5).

<sup>60</sup> See *Lifeline Reform Order*, ¶ 389; § 54.422(b)(1)-(4).

- Make available, upon request, state-specific subscriber data, including the names and addresses of Lifeline subscribers, to USAC and to each state public utilities commission where the Company operates for the purpose of determining whether an existing Lifeline subscriber receives Lifeline service from another carrier;<sup>61</sup>
- Assist the Commission, USAC, state commissions, and other ETCs in resolving instances of duplicative enrollment by Lifeline subscribers, including by providing to USAC and/or any state commission, upon request, the necessary information to detect and resolve duplicative Lifeline claims;
- Promptly investigate any notification that it receives from the Commission, USAC, or a state commission to the effect that one of its customers already receives Lifeline services from another carrier; and
- Immediately de-enroll any subscriber whom the Company has a reasonable basis to believe<sup>62</sup> is receiving Lifeline-supported service from another ETC or is no longer eligible – whether or not such information is provided by the Commission, USAC, or a state commission.

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<sup>61</sup> The Company anticipates that the need to provide such information will sunset following the implementation of the national duplicates database.

<sup>62</sup> See § 54.405(e)(1).

## VII. CONCLUSION

LTS submits that the foregoing Compliance Plan fully satisfies the conditions set forth in the *Lifeline Reform Order*, the *Compliance Plan Public Notice* and the Commission's rules pertaining to Lifeline. Accordingly, LTS respectfully requests expeditious approval of this Compliance Plan so that LTS may provide essential Lifeline service to eligible wireline and wireless low-income customers in the various states for which it has pending ETC petitions.

Respectfully submitted,



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*Counsel to LTS of Rocky Mount, LLC*

February 5, 2013

# Exhibit 1

## Lifeline Offerings

<b>Plan Description</b>	<b>Retail Price</b>
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LTS of Rocky Mount offers the following rate plans to eligible Lifeline subscribers.

<b>150 Free Minutes and a Free Phone</b>	<b>Free</b>
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This plan includes a phone plus 150 free voice minutes. Unused minutes are rolled over each month and the rolled over minutes are available for 30 days. The account is then automatically replenished with the next month's 150 free voice minutes. If a subscriber runs out of minutes, they have the option to purchase additional voice minutes in increments of \$10, \$16, \$21 and \$27 denominations, with the price ranging from \$.10 to \$.042 per minute\*. This plan includes nationwide coverage, voice mail, call waiting, Caller ID and text-messaging (one text equates to one minute of airtime).

<b>250 Free Minutes and a Free Phone</b>	<b>Free</b>
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This plan includes a phone plus 250 free voice minutes. Unused minutes expire at the end of the last day of their cycle. The account is then automatically replenished with the next month's 250 free voice minutes. If a subscriber runs out of minutes, they have the option to purchase additional voice minutes in increments of \$10, \$16, \$21 and \$27 denominations, with the price ranging from \$.10 to \$.042 per minute\*. This plan includes nationwide coverage, voice mail, call waiting, Caller ID and text-messaging (one text equates to one minute of airtime).

<b>360 Minute Plan and a Free Phone</b>	<b>\$6.00</b>
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150 Free Voice Minutes, a Free Phone and 210 additional voice minutes if customer agrees to a monthly credit/debit card automatic payment of \$6 in advance each month. Unused minutes are rolled over each month and are available for 90 days. Each month, the account is automatically replenished with the next month's 150 free voice minutes and 210 additional voice minutes. If a subscriber runs out of minutes, they have the option to purchase additional voice minutes in increments of \$10, \$16, \$21 and \$27 denominations, with the price ranging from \$.10 to \$.042 per minute\*. This plan includes nationwide coverage, voice mail, call waiting, Caller ID and text-messaging (one text equates to one minute of airtime).

<b>660 Minute Plan and a Free Phone</b>	<b>\$15.00</b>
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150 Free Voice Minutes, a Free Phone and 510 additional voice minutes if customer agrees to a monthly credit/debit card automatic payment of \$15 in advance each month. Unused minutes are rolled over each month and are available for 90 days. Each month, the account is automatically replenished with the next month's 150 free voice minutes and 510 additional voice minutes. If a subscriber runs out of minutes, they have the option to purchase additional voice minutes in



increments of \$10, \$16, \$21 and \$27 denominations, with the price ranging from \$.10 to \$.042 per minute\*. This plan includes nationwide coverage, voice mail, call waiting, Caller ID and text-messaging (two texts equate to one minute of airtime).

Calls to 911 are free.

\*Applicable taxes and government fees are assessed to plan additions.

#### Wireline - Unlimited Local and Domestic Long Distance

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\$20.99 (CenturyLink territory)/24.95 (AT&T territory)

Wireline Lifeline subscribers receive unlimited local and long distance calling for a set monthly charge. Charges vary by state/zone and are dependent upon the underlying ILEC's charge variations. Subscribers may be eligible to receive call waiting and Caller ID at no additional charge or at a low rate depending on the subscriber's location. Subscribers are issued an invoice each month for the services they select and service will be disconnected if the fee is not paid. Calls to 911 are available at no charge. Above service rates reflects the Lifeline discount.

## Exhibit 2

# Lifeline Application Form



**LTS of Rocky Mount, LLC**  
**[State] Wireless Lifeline Service Application and Certification**

Mail or fax form completed and signed form to:  
1803 W. Fairfield Drive, Unit 1  
Pensacola, FL 32501  
Fax (850) 437-9953/ Customer Service: (877) 279-1689

A complete and signed Lifeline Service Application and Certification ("Certification") is required to enroll you in LTS of Rocky Mount, LLC's ("LTS" or the "Company") Lifeline service program in your state. This Certification is only for the purpose of verifying your eligibility for Lifeline service and will not be used for any other purpose. Service requests will not be processed until this Form has been received and verified by the Company.

**One Lifeline service per household disclosures:** Lifeline is a government assistance program and willfully making false statements to obtain a Lifeline benefit can result in fines, imprisonment, de-enrollment or being barred from the program. Lifeline benefits are limited to a single line of service per household. A household is defined, for purposes of the Lifeline program, as any individual or group of individuals who live together at the same address and share income and expenses. A household may not receive multiple Lifeline discounts. You may apply your Lifeline discount to either one landline or one wireless number, but you cannot have the discount on both and you cannot receive Lifeline benefits from multiple providers. Note that not all Lifeline services are currently marketed under the name Lifeline. Lifeline is a non-transferable benefit and you may not transfer your benefit to any other person, including another eligible low-income consumer. Violation of the one-per-household limitation constitutes a violation of the Federal Communications Commission's rules and will result in your de-enrollment from the program, and potentially prosecution by the United States Government.

☐ I hereby certify that I have read and understood the disclosures listed above and that, to the best of my knowledge, my household is not already receiving a Lifeline service benefit.

**Customer eligibility certification:** I hereby certify that I participate in at least one of the following programs (**check one**):

- |   |  |
|---|--|
| <input type="checkbox"/> Supplemental Nutrition Assistance Program (SNAP)   | <input type="checkbox"/> Income at or below 135% of Federal Poverty Guidelines     |
| <input type="checkbox"/> Section 8 Federal Public Housing Assistance (FPHA) | <input type="checkbox"/> Food Distribution Program on Indian Reservations (FDPIR)  |
| <input type="checkbox"/> Medicaid (not Medicare)                            | <input type="checkbox"/> Bureau of Indian Affairs General Assistance (BIA)         |
| <input type="checkbox"/> Supplemental Security Income (SSI)                 | <input type="checkbox"/> Tribally Administered TANF (TATNF)                        |
| <input type="checkbox"/> Temporary Assistance for Needy Families (TANF)     | <input type="checkbox"/> Head Start (meeting income qualifying standards) (Tribal) |
| <input type="checkbox"/> Low Income Home Energy Assistance Program (LIHEAP) |  |
| <input type="checkbox"/> National School Lunch Program's free lunch program |  |

**Tribal eligibility:**

☐ I hereby certify that I reside on Federally-recognized Tribal lands.

**Customer Application Information:**

First Name: \_\_\_\_\_ Middle Name: \_\_\_\_\_ Last Name: \_\_\_\_\_  
Date of Birth: Month: \_\_\_\_ Day: \_\_\_\_ Year: \_\_\_\_ Last Four Digits of Social Security Number (or Tribal ID Number): \_\_\_\_  
If Qualifying for Lifeline by Income, number of Individuals in Household: \_\_\_\_  
Home Telephone Number (if available): \_\_\_\_\_

**Residential Address (P.O. Box NOT sufficient)**

Number: \_\_\_\_\_ Apt: \_\_\_\_\_ Street: \_\_\_\_\_ City: \_\_\_\_\_  
State: \_\_\_\_\_ Zip Code: \_\_\_\_\_  
Address is (choose one): ☐ Permanent ☐ Temporary

**Billing Address (if different from Residential Address) (P.O. Box IS sufficient)**

Number: \_\_\_\_\_ Apt: \_\_\_\_\_ Street: \_\_\_\_\_ City: \_\_\_\_\_  
State: \_\_\_\_\_ Zip Code: \_\_\_\_\_

**Multiple households sharing and address:**

☐ I hereby certify that I reside at an address occupied by multiple households, including adults who do not contribute income to my household and/or share in my household's expenses, and I will complete a separate additional form.

**Activation and usage requirement disclosures:** This service is a prepaid service and you must personally activate it by calling (877) 757-4663. To keep your account active, you must use your Lifeline service at least once during any 60 day period by completing an

outbound call, purchasing additional minutes from LTS, answering an in-bound call from someone other than LTS, or by responding to a direct contact from the Company confirming that you want to continue receiving Lifeline service from LTS. If your service goes unused for 60 days, you will no longer be eligible for Lifeline benefits and your service will be suspended (allowing only 911 calls and calls to the Company's customer care center) subject to a 30 day cure period during which you may use the service (as described above) or contact the Company to confirm that you want to continue receiving Lifeline service from LTS.

☐ I hereby certify that I have read and understood the disclosures listed above regarding activation and usage requirements.

**Authorizations:**

☐ I hereby authorize the Company to access any records required to verify my statements on this form and to confirm my eligibility for the Lifeline program. I also authorize the Company to release any records required for the administration of the Lifeline program (e.g., name, telephone number and address), including to the Universal Service Administrative Company, to be used in a Lifeline database and to ensure the proper administration of the Lifeline Program. Failure to consent will result in denial of service.

**Additional certifications:** I hereby certify, under penalty of perjury, that (check each box):

- ☐ I meet the income-based or program-based eligibility criteria for receiving Lifeline service and have provided documentation of eligibility if required
- ☐ I will notify the Company within 30 days if for any reason I no longer satisfy the criteria for receiving Lifeline including, as relevant, if I no longer meet the income-based or program-based eligibility criteria, I begin receiving more than one Lifeline benefit, or another member of my household is receiving a Lifeline benefit. I understand that I may be subject to penalties if I fail to follow this requirement
- ☐ I am not listed as a dependent on another person's tax return (unless over the age of 60)
- ☐ The address listed below is my primary residence, not a second home or business
- ☐ If I move to a new address, I will provide that new address to the Company within 30 days
- ☐ If I provided a temporary residential address to the Company, I will verify my temporary residential address every 90 days
- ☐ I acknowledge that providing false or fraudulent information to receive Lifeline benefits is punishable by law
- ☐ I acknowledge that I may be required to re-certify my continued eligibility for Lifeline at any time, and my failure to re-certify as to my continued eligibility within 30 days will result in de-enrollment and the termination of my Lifeline benefits
- ☐ The information contained in this certification form is true and correct to the best of my knowledge

**Applicant's Signature:** \_\_\_\_\_ **Date:** \_\_\_\_\_

**For Agent Use Only (check the appropriate boxes for the proof of eligibility viewed and provide information requested; do not copy or retain documentation):**

**Documents Acceptable Proof for Income-Eligibility (check 1)\*:**

- ☐ The prior year's state, federal, or Tribal tax return,
- ☐ Current income statement from an employer or paycheck stub,
- ☐ A Social Security statement of benefits,
- ☐ A Veterans Administration statement of benefits,
- ☐ A retirement/pension statement of benefits,
- ☐ An Unemployment/Workmen's Compensation statement of benefits,
- ☐ Federal or Tribal notice letter of participation in General Assistance, or
- ☐ A divorce decree, child support award, or other official document

\* If the documentation of income does not cover a full year, the applicant must present the same type of documentation covering three consecutive months within the previous 12 months.

List B - Choose 1:

- ☐ Program participation card/document
- ☐ Prior year's statement of benefits
- ☐ Notice letter of participation
- ☐ Other official document evidencing participation \_\_\_\_\_

Last 4 digits of Document from List B \_\_\_\_\_

Date of Proof Document: \_\_\_\_/\_\_\_\_/\_\_\_\_

Expiration Date of Proof Document: \_\_\_\_/\_\_\_\_/\_\_\_\_

**Documents Acceptable Proof for Program-Eligibility (choose 1 from each list A and B below):**

List A - Choose 1

- ☐ Supplemental Nutrition Assistance Program (SNAP)
- ☐ Medicaid
- ☐ Section 8 Federal Public Housing Assistance (FPHA)
- ☐ Supplemental Security Income (SSI)
- ☐ Temporary Assistance for Needy Families (TANF)
- ☐ Low Income Home Energy Assistance Program (LIHEAP)
- ☐ National School Lunch Program's free lunch program
- ☐ Food Distribution Program on Indian Reservations (FDPIR)
- ☐ Bureau of Indian Affairs General Assistance (BIA)
- ☐ Tribally Administered TANF (TATNF)
- ☐ Head Start (meeting income qualifying standards)
- ☐ State Program 1
- ☐ State Program 2

Applicant Account Number	Rep/Agent Signature



[State] Wireline Lifeline Service Application and Certification

Mail or fax form completed and signed form to:

1803 W. Fairfield Drive, Unit 1

Pensacola, FL 32501

Fax (850) 437-9953/ Customer Service: (877) 279-1689

A complete and signed Lifeline Service Application and Certification ("Certification") is required to enroll you in LTS of Rocky Mount, LLC ("the Company's") Lifeline service program in your state. This Certification is only for the purpose of verifying your eligibility for Lifeline service and will not be used for any other purpose. Service requests will not be processed until this Form has been received and verified by Company.

**One Lifeline service per household disclosures:** Lifeline is a government assistance program and willfully making false statements to obtain a Lifeline benefit can result in fines, imprisonment, de-enrollment or being barred from the program. Lifeline benefits are limited to a single line of service per household. A household is defined, for purposes of the Lifeline program, as any individual or group of individuals who live together at the same address and share income and expenses. A household may not receive multiple Lifeline discounts. You may apply your Lifeline discount to either one landline or one wireless number, but you cannot have the discount on both and you cannot receive Lifeline benefits from multiple providers. Note that not all Lifeline services are currently marketed under the name Lifeline. Lifeline is a non-transferable benefit and you may not transfer your benefit to any other person, including another eligible low-income consumer. Violation of the one-per-household limitation constitutes a violation of the Federal Communications Commission's rules and will result in your de-enrollment from the program, and potentially prosecution by the United States Government.

- ☐ **I hereby certify that I have read and understood the disclosures listed above and that, to the best of my knowledge, my household is not already receiving a Lifeline service benefit.**

**Customer eligibility certification:** I hereby certify that I participate in at least one of the following programs (**check one**):

- |   |  |
|---|--|
| <input type="checkbox"/> Supplemental Nutrition Assistance Program (SNAP)   | <input type="checkbox"/> Income at or below 135% of Federal Poverty Guidelines     |
| <input type="checkbox"/> Section 8 Federal Public Housing Assistance (FPHA) | <input type="checkbox"/> Food Distribution Program on Indian Reservations (FDPIR)  |
| <input type="checkbox"/> Medicaid (not Medicare)                            | <input type="checkbox"/> Bureau of Indian Affairs General Assistance (BIA)         |
| <input type="checkbox"/> Supplemental Security Income (SSI)                 | <input type="checkbox"/> Tribally Administered TANF (TATNF)                        |
| <input type="checkbox"/> Temporary Assistance for Needy Families (TANF)     | <input type="checkbox"/> Head Start (meeting income qualifying standards) (Tribal) |
| <input type="checkbox"/> Low Income Home Energy Assistance Program (LIHEAP) |  |
| <input type="checkbox"/> National School Lunch Program's free lunch program |  |

**Tribal eligibility:**

- ☐ **I hereby certify that I reside on Federally-recognized Tribal lands.**

**Customer Application Information:**

First Name: \_\_\_\_\_ Middle Name: \_\_\_\_\_ Last Name: \_\_\_\_\_  
Date of Birth: Month: \_\_\_\_\_ Day: \_\_\_\_\_ Year: \_\_\_\_\_ Last Four Digits of Social Security Number (or Tribal ID Number): \_\_\_\_\_  
If Qualifying for Lifeline by Income, number of Individuals in Household: \_\_\_\_\_  
Home Telephone Number (if available): \_\_\_\_\_

Residential Address (P.O. Box NOT sufficient)

Number: \_\_\_\_\_ Apt: \_\_\_\_\_ Street: \_\_\_\_\_ City: \_\_\_\_\_

State: \_\_\_\_\_ Zip Code: \_\_\_\_\_

Address is (choose one): ☐ Permanent ☐ Temporary

Billing Address (if different from Residential Address) (P.O. Box IS sufficient)

Number: \_\_\_\_\_ Apt: \_\_\_\_\_ Street: \_\_\_\_\_ City: \_\_\_\_\_

State: \_\_\_\_\_ Zip Code: \_\_\_\_\_

**Multiple households sharing and address:**

- ☐ **I hereby certify that I reside at an address occupied by multiple households, including adults who do not contribute income to my household and/or share in my household's expenses, and I will complete a separate additional form.**

Authorizations:

- ☐ I hereby authorize the Company to access any records required to verify my statements on this form and to confirm my eligibility for the Lifeline program. I also authorize the Company to release any records required for the administration of the Lifeline program ( name, telephone number, address, date of birth, last 4 digits of SSN, amount of support being sought, means of qualification for support, and dates of service initiation and termination), including to the Universal Service Administrative Company, to be used in a Lifeline database and to ensure the proper administration of the Lifeline Program. Failure to consent will result in denial of service.

Additional certifications: I hereby certify, under penalty of perjury, that (check each box):

- ☐ I meet the income-based or program-based eligibility criteria for receiving Lifeline service and have provided documentation of eligibility if required
- ☐ I will notify the Company within 30 days if for any reason I no longer satisfy the criteria for receiving Lifeline including, as relevant, if I no longer meet the income-based or program-based eligibility criteria, I begin receiving more than one Lifeline benefit, or another member of my household is receiving a Lifeline benefit. I understand that I may be subject to penalties if I fail to follow this requirement
- ☐ I am not listed as a dependent on another person's tax return (unless over the age of 60)
- ☐ The address listed below is my primary residence, not a second home or business
- ☐ If I move to a new address, I will provide that new address to the Company within 30 days
- ☐ If I provided a temporary residential address to the Company, I will verify my temporary residential address every 90 days
- ☐ I acknowledge that providing false or fraudulent information to receive Lifeline benefits is punishable by law
- ☐ I acknowledge that I may be required to re-certify my continued eligibility for Lifeline at any time, and my failure to re-certify as to my continued eligibility within 30 days will result in de-enrollment and the termination of my Lifeline benefits
- ☐ The information contained in this certification form is true and correct to the best of my knowledge

Applicant's Signature \_\_\_\_\_ Date: \_\_\_\_\_

For Agent Use Only (check the appropriate boxes for the proof of eligibility viewed and provide information requested; do not copy or retain documentation):

Documents Acceptable Proof for Income-Eligibility (check 1)\*:

- ☐ The prior year's state, federal, or Tribal tax return,
- ☐ Current income statement from an employer or paycheck stub,
- ☐ A Social Security statement of benefits,
- ☐ A Veterans Administration statement of benefits,
- ☐ A retirement/pension statement of benefits,
- ☐ An Unemployment/Workmen's Compensation statement of benefits,
- ☐ Federal or Tribal notice letter of participation in General Assistance, or
- ☐ A divorce decree, child support award, or other official document containing income information.

\*If the documentation of income does not cover a full year, the applicant must present the same type of documentation covering three consecutive months within the previous 12 months.

Documents Acceptable Proof for Program-Eligibility (choose 1 from each list A and B below):

List A - Choose 1

- ☐ Supplemental Nutrition Assistance Program (SNAP)
- ☐ Medicaid
- ☐ Section 8 Federal Public Housing Assistance (FPHA)
- ☐ Supplemental Security Income (SSI)
- ☐ Temporary Assistance for Needy Families (TANF)
- ☐ Low Income Home Energy Assistance Program (LIHEAP)
- ☐ National School Lunch Program's free lunch program
- ☐ Food Distribution Program on Indian Reservations (FDPIR)
- ☐ Bureau of Indian Affairs General Assistance (BIA)
- ☐ Tribally Administered TANF (TATNF)
- ☐ Head Start (meeting income qualifying standards)

List B - Choose 1:

- ☐ Program participation card/document
- ☐ Prior year's statement of benefits
- ☐ Notice letter of participation
- ☐ Other official document evidencing participation \_\_\_\_\_

Last 4 digits of Document from List B \_\_\_\_\_

Date of Proof Document: \_\_\_\_\_

Expiration Date of Proof Document: \_\_\_\_ / \_\_\_\_ / \_\_\_\_

Applicant Account Number	Rep/Agent Signature

## **LTS of Rocky Mount, LLC Lifeline Service Application Income Eligibility Worksheet**

Individuals in all states are able to enroll in the Lifeline program by demonstrating that their household's annual income is at or below 135% of the Federal Poverty Guidelines. This table should be used to determine whether a Lifeline applicant is eligible for Lifeline service based on the number of individuals in the applicant's household and the applicant's household annual income:

HOUSEHOLD SIZE	INCOME LEVEL
1	\$15,080
2	\$20,426
3	\$25,772
4	\$31,118
5	\$36,464
6	\$41,810
7	\$47,156
8	\$52,502
For each additional person	Add \$5,346

**Applicants must list the number of individuals in the applicant's household on the Lifeline application form.** Applicants seeking to qualify for Lifeline service based on their household income must present one of the following documents in order to prove eligibility:

- the prior year's state, federal, or Tribal tax return
- current income statement from an employer or paycheck stub
- a Social Security statement of benefits
- a Veterans Administration statement of benefits
- a retirement/pension statement of benefits
- an Unemployment/Workmen's Compensation statement of benefits
- Federal or Tribal notice letter of participation in General Assistance
- a divorce decree, child support award, or other official document containing income information

\* If the documentation of income does not cover a full year, the applicant must present the same type of documentation covering three consecutive months within the previous 12 months.

**This is a Lifeline service provided by LTS of Rocky Mount, LLC. Lifeline is a government assistance program. Only one Lifeline service is available per household. Households are not permitted to receive multiple Lifeline benefits whether they are from one or multiple companies, wireless or wireline. Proof of eligibility is required for enrollment and only eligible customers may enroll in Lifeline service. Consumers who willingly make false statements to obtain the benefit can be punished by fine or imprisonment or can be barred from the program. Lifeline is a non-transferable benefit. Lifeline customers may not transfer their benefits to any other person.**

# Exhibit 3

## Sample Marketing Materials



# **Wireless Phone Service**

## **Pay Nothing to Start Service**

150 OR 250 Free Minutes every month  
for local and national long distance  
calls, texting, and More!



**If you or any other member of your household  
receives:**

**Medicaid - Food Stamps - TANF - SSI - Federal Public  
Housing Assistance - Low Income Energy –  
Head Start – Free School Lunch Program**

LTS' service is a Lifeline service. Lifeline is a government assistance program. Only eligible customers may participate in the Lifeline program and participation is limited to one benefit per household consisting of either wireline or wireless service. Documented proof of participation in a government assisted program or income qualification is required for enrollment. Lifeline service is non-transferable.

# **877-889-9311**